



The Commonwealth of Massachusetts
Office of the Inspector General

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December 29, 2008

David Perini, Commissioner
Division of Capital Asset Management
One Ashburton Place 15th Floor
Boston, MA 02108

Anne Margulies, Assistant Secretary and CIO
Information Technology Division
One Ashburton Place, Room 804
Boston, MA 02108

Dear Commissioner Perini and Assistant Secretary Margulies,

Pursuant to the provisions of Chapter 304 of the Acts of 2008, I hereby submit my review of the methodology used by the Division of Capital Asset Management (DCAM) and the Information Technology Division (ITD) in comparing costs of several alternative sites for development of a Second Data Center for ITD.

Upon examination, I conclude that the comparative site analysis was conducted in an objective and fair manner based upon sound principles of competitive procurement and that the methodology was sound and reasonable.

DCAM and ITD's recommendation of the Springfield Technical High School site is supported by the site's satisfactory compliance with all baseline criteria and by its relative total cost in comparison with the respective total costs of the Building 104 site at Springfield Technical Community College Technology Park and the "greenfield site", a theoretical site included in the analysis for comparative purposes.

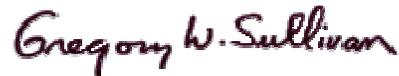
The comparative site analysis identified a significant distinguishing issue concerning compliance with one of the Baseline Performance Criteria entitled "Security/Control - Low traffic site". This criterion requires that adjacent roads to the site have limited automobile/truck traffic mostly limited to traffic to the site or the immediate surrounding buildings. The Springfield Technical High School site and the greenfield site complied with this criteria, while the Building 104 site did not.

The cost comparison methodology utilized by DCAM and ITD was reasonable. ITD and its consultant concluded that renovation of existing structures at either the Springfield Technical High School site or the Building 104 site was not feasible due to dimensional and other physical minimum requirements. Having made this conclusion, DCAM and ITD conducted a comparison of costs necessary to construct virtually the same two-story structure on the three sites, built to the full-space requirements as specified by ITD. This assumption served to narrow the relative cost differences to only few items.

These cost differences included site acquisition, demolition of existing structures, and preservation of the façade of the Springfield Technical High School site if such preservation were to be required by the Massachusetts Historical Commission. After having reviewed the basis of DCAM and ITD's cost estimates for these differentiating items in the cost comparison, I conclude that they represent reasonable, good faith estimates. Based upon these cost estimates, the total cost of building to the full-space requirements at the Springfield Technical High School site was determined to be less expensive than that at the Building 104 site. Likewise, the cost of the Springfield Technical High School site falls into the expected range of costs for the greenfield site, presuming that the façade of the existing building is not required to be preserved and integrated into the design of the new data center.

Therefore, in accordance with my responsibilities as set forth in Chapter 304 of the Acts of 2008, I approve of the methodology utilized and hereby file my conclusions with the division.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan
Inspector General